



Department of Justice

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**FORMER PRESIDENT OF HOUSTON MARINE CONSTRUCTION COMPANY
INDICTED ON BID-RIGGING CONSPIRACY CHARGES**

WASHINGTON, D.C. -- The former president of a leading Houston-based marine construction contractor, J. Ray McDermott, S.A., was indicted today by a federal grand jury for conspiring to rig bids for heavy-lift marine installation services provided to customers in the Gulf of Mexico, the Department of Justice announced.

This is the fourth case brought by the Department in its ongoing antitrust investigation of the marine construction industry.

The three-count felony case, filed in U.S. District Court in Houston, charges Michael Harless Lam with one count of violating the Sherman Antitrust Act from September 1995 to January 1997, and with two counts of mail fraud in connection with the conspiracy to suppress and eliminate price competition for heavy-lift installation services in the Gulf of Mexico.

Marine construction services include the design, construction, installation, and removal of offshore oil and gas production platforms and subsea pipeline systems. Heavy-lift installation service is a type of marine construction service involving the transportation and installation of offshore oil and gas production platforms and support structures.

The Indictment charges that in carrying out the conspiracy, the unnamed co-conspirators held meetings in Leiden, The Netherlands; Penang, Malaysia; Istanbul, Turkey; and other locations to discuss allocating heavy-lift installation projects in the Gulf of Mexico. According

to the charges, the conspirators discussed and agreed upon which conspirator would obtain particular contracts to provide heavy-lift installation services and exchanged proposed bid prices or price ranges for particular contracts.

“By interfering with the bidding process, this cartel denied customers of heavy-lift installation services and the benefits of competition,” said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. “Today's charges further demonstrate the Division's continued commitment to prosecute vigorously conspiracies that harm American citizens and companies.”

In July 1999, Littleton Edwards Walker, former Senior Vice President of Business Development and Strategic Initiatives for J. Ray McDermott, S.A., pleaded guilty to a one-count felony Information charging him with violating the Sherman Antitrust Act by conspiring with others to rig bids for the sale of marine construction services in the United States and elsewhere. He agreed to cooperate with the government's investigation and is currently awaiting sentencing.

In October 1998, Vincenzo Oliveri, an official of Saipem, S.p.A., an Italian-based marine construction contractor, was charged by a Houston federal grand jury with criminal contempt for failure to appear before the grand jury in response to a subpoena. Oliveri is a fugitive.

In December 1997, HeereMac, v.o.f., a Netherlands-based marine construction contractor, and HeereMac's commercial director, Jan Meek, a Dutch national, pleaded guilty to charges of participating in an international conspiracy to rig bids for the sale of heavy-lift derrick barge services and related marine construction services. Under the plea agreements, HeereMac was fined \$49 million and Meek was fined \$100,000. They each agreed to cooperate with the government's investigation.

Lam is charged with violating the Sherman Antitrust Act, which carries a maximum penalty of three years imprisonment and a fine of \$350,000 for individuals. Lam is also charged with two counts of violating the Mail Fraud Statute, which carries a maximum penalty of five years imprisonment and a fine of \$250,000 for each count. The maximum fines for both the Sherman Act violation and the Mail Fraud violations may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's Indictment is the result of an ongoing investigation being conducted by the Litigation I Section of the Antitrust Division, Washington, D.C., and the Federal Bureau of Investigation, Houston Field Office.

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